Ethics Committee refers Ensign case to Justice Department

By Paul Kane and Carol D. Leonnig, Washington Post

The Senate Ethics Committee on Thursday declared that it has "substantial and credible evidence" that former senator John Ensign broke federal laws in his effort to cover up an extramarital affair he had with a political aide, referring its case to the Justice Department and Federal Election Commission.

In a highly unusual public rebuke, the bipartisan committee presented its case on the Senate floor, announcing it had voted unanimously to release its findings and request the Justice Department re-start a criminal investigation into the Nevada Republican's actions.



John Ensign

"We have reason to believe Senator Ensign violated laws," Sen. Barbara Boxer, D-Calif., the chairwoman of the panel, said during the speeches.

Boxer, reading from a report of the special counsel hired to handle the investigation, said that the evidence against Ensign was "substantial enough to warrant the consideration of expulsion" had he not resigned.

Read the whole story

Placer County not done making financial-personnel cuts

By Loretta Kalb, Sacramento Bee

In theory, Placer County and its 2,300 workers already have endured the recession's toughest budget tests.

In the last three years, county supervisors froze hiring, imposed furloughs, downsized departments and laid off workers.

But this year, county officials say those efforts combined won't offset the added burden headed their way if the state realigns prisons and mental health services without adequate funding.

Property taxes, the county's single largest source of discretionary spending for general government operations, have declined 17 percent since 2008, County Executive Tom Miller said. And sales tax revenues are just now starting to show signs of recovery.

Gov. Jerry Brown is seeking a prison realignment – shifting low-level inmates to county jails – as part of a larger plan to close a $15.4 billion state budget deficit.

Counties also would administer juvenile court cases and mental health programs and supervise adult parolees.

Miller figures the county's cost to carry out realignment would run between $30 million and $60 million yearly.

Read the whole story

Gaines sworn in as Tahoe's assemblywoman

Assemblywoman Beth Gaines, R-Roseville, today took the oath of office as the new representative for the 4th Assembly District at the state Capitol.

Gaines said she will remain fully committed to protecting taxpayer's resources during her tenure in the Assembly.

"I have chosen to voluntarily not accept per diem or use a state-issued car to carry out my responsibilities as your assemblywoman," Gaines said in a statement. "We as legislators should lead by example and tighten our belts and cut costs where we can to save taxpayer money."



Beth Gaines, center, is sworn in May 12 to represent Tahoe in the California Assembly.

Photo/Provided

Prior to her election, Gaines served as a successful marketing consultant for her family's business, Point West Insurance Associates. She also previously worked in sales and marketing for a business supply company and gained management experience at a local branch of a national workforce employment firm.

Gaines fills the vacancy left by the election of her husband Ted Gaines to the state Senate in January.

The 4th Assembly District includes the communities of South Lake Tahoe, Tahoe City, Roseville, Rocklin, Lincoln, Cameron Park, Placerville, Auburn and Loomis.

Echo Summit closure surprises Amgen crew

By Andria Borba, FOX 40

ECHO SUMMIT– Day one of the two week road closure has left Highway 50 eerily quiet.

A one mile section of the rock wall separating the road from the plunging canyon below is in bad shape, patched in some place by sandbags.

The signs west of Echo Summit say 'OPEN', but there are few customers. At Silver Fork Gas Station, in six hours only four people pulled up to the pumps that are packed during ski season. "This is the slow season. now no business, no customers, complete none. So, we have hard time for the next two weeks," said owner Mike Choi. In fact, Choi says if the

dismal business keeps up, he’s going to take a break, “I’m thinking about it, maybe tomorrow, maybe the next two weeks, I’m going to close.”

It seems the massive “Way to Tahoe” campaign sponsored by Caltrans didn’t reach everyone. A support truck from the Amgen Tour of California headed to South Lake Tahoe was turned around, unaware the road was closed.

Read the whole story

Man with ties to S. Tahoe arrested in Mass. on burglary charges

By Union Leader

GILFORD, Mass. — Authorities arrested a 34-year-old man in Brookline, Mass., on Tuesday and implicated him in at least 15 burglaries in the Gunstock Acres area of Gilford, police said.

Kolby D. Fenner, whose last known residences were in Brookline and South Lake Tahoe, was charged with six burglaries and fugitive from justice, as well as a probation violation from California.

Gilford police said the burglaries took place in January and February, and the investigation and search for Fenner took four months. Police said they identified Fenner using cell phone data, online resources and physical evidence.

“DNA, footwear impressions and fingerprint impressions taken from the scene were significant contributing factors in

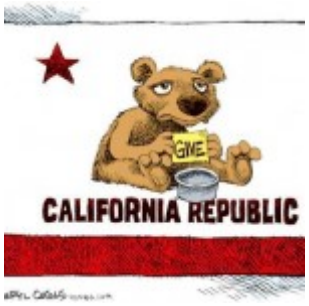
linking Fenner to the individual crimes and linking the crimes together," Gilford police said in a statement issued Wednesday.

Read the whole story

Release of state budget has LTUSD, S. Tahoe on edge

By Kathryn Reed

The $15 million question is: What will Gov. Jerry Brown's 2011-12 budget look like when it's unveiled Monday?



Some people in the 325,000-member California Teachers Association have been in Sacramento all week lobbying lawmakers to not further slash the education budget. Lake Tahoe Unified School District personnel are there, with more going down today for Friday's rally at the Capitol.

(The CTA website has more information.)

Not knowing if the state will abolish redevelopment agencies, South Lake Tahoe on May 17 has scheduled a public hearing during the City Council meeting that would move most of the city's Redevelopment Agency's assets to the city proper. This is a pre-emptive strike to protect what belongs to the city. (The meeting starts at 9am at Lake Tahoe Airport with a workshop about the General Plan.)

While LTUSD and the city won't go unscathed in whatever the governor comes out with, they are not alone. Lake Tahoe

Community College is likely to take a hit, as are social service programs throughout the area.

The compounded ripple effect to the South Shore and throughout the Lake Tahoe Basin is hard to pinpoint because of the moving parts, potential spike to the already 17 percent unemployment rate in South Lake Tahoe, and the unknowns of what voters would do if the tax extension makes the ballot.

And what comes out May 16 is not likely to be the final budget because the Legislature needs to go through it with a red pen adding and deleting what it believes are necessary components.

One piece of good news is when Brown took office the deficit was at $26 billion and making cuts and other financial moves has eliminated about $11 million of that.

Another bright spot is the state controller reported revenue from July 1 (the start of the fiscal year) through April 30 is up $1.3 billion, or 1.9 percent, from Brown's initial budget.

Gains are attributed to personal income taxes being on the rise.

"Personal income taxes continue to lead the charge – rising 8 percent over estimates and 13 percent over last fiscal year," Controller John Chiang said in a statement.

Although the state budget is supposed to take effect July 1, for years the Legislature and governor have not done their jobs in the specified time line. This will be Brown's first budget as governor this term.

LTUSD concerns

"CTA/STEA in conjunction with the Education Coalition and the support of the LTUSD school board is participating in a Week of Action to bring awareness to the public regarding the budget crisis that our public schools continue to face," said Jodi Dayberry, South Tahoe Educators Association president.

At the May 10 LTUSD board meeting district officials, including the elected body, and many in the audience wore buttons showing solidarity.

Teachers handed out informational flyers at schools this week asking parents and others to contact lawmakers to encourage them to pass the governor's tax extension proposal.

With fewer employees than anticipated taking early retirement and LTCC not renting classroom space from LTUSD, the K-12 district has immediate budget revisions without the state even taking action.

However, Lake Tahoe Unified is in better shape than many districts.

Deb Yates, CFO for LTUSD, told the board, "Thirty percent of the students in the state are in a district that is negative or qualified."

This means the districts are near bankrupt status. Four California districts, with the nearest being Natomas, are without cash. This means they won't make payroll.

If the tax extension is not approved, it could be a $3 million hit for LTUSD.

"We can't handle that," Superintendent Jim Tarwater said.

South Tahoe's dilemma

Across town, South Tahoe officials are doing what they can protect assets that are under the purview of the Redevelopment Agency. Even though the five members of the City Council also oversee the Redevelopment Agency, they are two distinctly different organizations. There was a time when the city had notable different meetings for the two and the RDA chief has not always been the mayor as is the case now. Those days allowed transactions to be more transparent and easier for the public to understand what was going on.

A redevelopment agency has to be approved by the state, that is why the state can dissolve the agencies and in turn try to grab the money in the accounts.

South Lake created its RDA in the 1980s, while the state Redevelopment Act was adopted in 1945, changed to the Community Redevelopment Act in 1951, with tax increment financing added in 1952. Assembly Bill 1290 made further changes to the legislation in 1993.

What the council will be asked to do on Tuesday is to transfer all redevelopment assets except for the parking garage and Heavenly Village amenities to the city.

City officials are not anticipating the redevelopment component being in the proposed budget that will be released Monday, but it could be.

“The state is trying to take everything and sell-off everything, and pay off the debt with the sale and keep the remaining cash,” explained Nancy Kerry, the city’s spokeswoman who used to be No. 2 in the city’s Redevelopment Agency. “They didn’t think about all the agencies with the debt.”

Many locations, including South Lake Tahoe, are paying for redevelopment through the sale of bonds. The people who own those bonds would have a right to be paid their money. That’s part of the issue the state did not think through when it initially proposed dissolving RDAs and taking assets. Many assets aren’t worth much throughout the state because of what is still owed on them.

As of Sept. 30, 2010, the most current figures Finance Director Christine Vuletich provided, the principal balance outstanding on debt for RDA is $106 million, plus another $8 million for the parking garage.

Of the $7.2 million the RDA pilfered from the general fund per council approval to pay for Heavenly Village, half has been

paid back. That comes in $500,000 annual payments.

Kerry said the city's argument to the state would be that the remaining $3.6 million owed to the general fund is a continuing obligation the state cannot wipe off the books.

The land/projects the city is proposing to transfer are these RDA properties. The value of them was not available because they have not all been recently assessed.

In RDA law is also a component for moderate and low-income housing cities must build. South Tahoe has committed a total of $2.5 million to the Aspens project near the fire station at Ski Run Boulevard and Pioneer Trail. That would be something the city would fight for, Kerry said, adding that $1 million of that total will come from tax increment.

Even if the state decides to eliminate the nearly 400 redevelopment agencies, it's likely millions of taxpayer dollars will end up going to attorneys to fight it.

Caesars Entertainment quarterly loss narrows

By Matt Jarzemsky, Dow Jones Newswires

Caesars Entertainment Corp.'s first-quarter loss narrowed as a positive swing in debt extinguishment impacts masked lower revenue amid lower visitation and U.S. flooding woes.

Caesars, which changed its name from Harrah's Entertainment Inc. last year, has written its bottom line in red ink lately, though it had seen revenue grow slightly in recent quarters, propped up by its February 2010 purchase of the Planet

Hollywood resort. Las Vegas, where it has a notable presence, remains a tough town for casino operators, but has shown signs of stabilization.

Recent flooding of the Ohio and Mississippi rivers has caused some of its facilities to close. Horseshoe Southern Indiana, near Louisville, Ky., reopened last week after flood-related closures. A handful of northwest Mississippi facilities as well as southern Illinois' Harrah's Metropolis are currently closed because of floodwaters.

Caesars reported a loss of $144.8 million, compared with a loss of $193.6 million a year earlier. Early debt extinguishment of debt boosted the latest result by $21 million, net of taxes, and hurt the prior-year result by $30.2 million.

Read the whole story

Echo Summit officially closed for at least 10 days

Echo Summit closed at noon today. Access to the South Shore via Highway 50 is cutoff for 10 to 14 days while Caltrans replaces the rock retaining wall.

Highway 50 is open from the west to near the top of the summit so places like Echo Lakes can be accessed. It's closed at the base of the summit in Meyers on the east side.



The sign seems to imply Caltrans is encouraging computing while driving. Photo/LTN

Highway 50 will be open with no restrictions on Memorial Day weekend.

Expect the alternate routes to add an hour of travel.

Suggested routes from the Bay Area and Central Valley are:

• From Sacramento: Exit at Power Inn Road and take Highway 16 east to Highway 49 south, at Highway 88 in Jackson, turn left (east). Take that to Highway 89 and turn left again (north), and follow it back to Highway 50 in South Lake Tahoe.

• From Placerville: Exit at Missouri Flat Road and take Highway 49 south. Follow it to Highway 88 in Jackson and turn left (east), at Highway 89 turn left (north) and follow it back to Highway 50 in South Lake Tahoe.

Wendy David of South Lake Tahoe said she drove between home and Placerville and back on Monday and was surprised by the amount of work that was done between 2-8pm. She said one lane of the road was torn up, as was part of the wall.

That was the first day the contractor was working on the road.

Sue Novasel, who lives at the base of the summit in Meyers,

said the blasting from the project has been a bit disconcerting.

When the road does open, it will be to controlled traffic for about six weeks.

More information is online.

– Kathryn Reed

BlueGo operator wants out when contract expires in June

By Kathryn Reed

BlueGo, the South Shore bus system, is going to have a new operator this summer.

The current operator has told Tahoe Transportation District officials it will not be bidding on the route. Request for proposals are being solicited, with the closing date May 18.



BlueGo is about to go have another operator. Photo/LTN

TTD, which oversees the bus operation, entered into the $23,460 monthly contract with TRC Consultants last fall. The contract expires June 30.

TRC Consultants was originally hired by South Tahoe Area Transit Authority to run the buses after MV Transportation was fired by the now-bankrupt STATA board. TRC uses the name BlueGo Transit Management Inc. for its South Shore operation. The company is based in Florida.

The TTD board wants to have an operator on board so the transition is seamless. However, TTD Executive Director Carl Hasty told *Lake Tahoe News* if a viable operator could not be secured by the end of June "we would run it."

South Lake Tahoe in the market for lobbyist

By Kathryn Reed

South Lake Tahoe may have a new lobbyist working on its behalf this summer.

The Houston Group, touted by former members of the City Council as being bloodhounds that could bring money to town, is going to have to bid for the job and prove its worth.

Anyone who bids on the lobbyist request for proposal will have to include performance goals. That isn't something that is in the current contract.

The RFP, which opened May 9 for one month, says, “The city is seeking a state representative to plan, develop, coordinate, and implement a strategy to advocate for the city’s interests at the highest levels in both the state of Nevada and state of California, through the office of the governors, state legislators, and state agencies [both states].”

Records show the Sacramento-based Houston Group did as-needed work for the city prior to signing a contract Feb. 6, 2007. That contract ensured the Houston Group $3,750 a month no matter what they did. It was reduced to $2,500 a month on May 14, 2009.

When that reduction took place then-Mayor Jerry Birdwell and Councilman Bill Crawford wanted the lobbyists to stop working for the city because no one could show how the agency had earned its pay. It was then-City Manager Dave Jinkens and Councilwoman Kathay Lovell who strongly advocated to keep paying the bill.

The contract has no expiration date – as is the case with many contracts the city enters into.

The point of having a lobbyist working on South Tahoe’s behalf is to have a voice at the capital and in the Capitol, to be notified of legislation that may affect the city, and to be alerted to money that may be available.

Besides South Tahoe, the Houston Group also represents Tahoe City and Placer County – which could present a potential conflict of interest. When this reporter spoke with Doug Houston in June 2008 he said, “We don’t have competing clients.” In that same conversation he said, “I’m in Tahoe about every other week. We have clients throughout the basin.”

Perspective lobbyists may be interviewed at the June 21 council meeting – in public.